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**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, et al.,

Debtors.

Chapter 11

Case No.: 18-23538 (RDD)

**AFFIDAVIT IN SUPPORT OF MOTION TO COMPEL DEBTOR, SEARS
HOME & BUSINESS FRANCHISES, INC., TO ASSUME OR REJECT
TWO (2) MASTER LEASE AGREEMENTS AND TO ALLOW AN
ADMINISTRATIVE EXPENSE CLAIM FOR POST-PETITION PAYMENTS**

STATE OF MINNESOTA)
) SS.:
COUNTY OF LYON)

DEBBIE L. STIBBE, of full age, being duly sworn according to law, upon her oath,
deposes and says:

I. I am an Assistant Vice President - Loss Mitigation Manager of U.S. BANK
NATIONAL ASSOCIATION d/b/a U.S. BANK EQUIPMENT FINANCE ("U.S. BANK"), a
creditor in the above-captioned matter, and I am duly authorized to make this Affidavit on its
behalf. I have personal knowledge of the facts and am competent to testify to the matters stated
herein. I make this Affidavit in support of our Motion to Compel the Debtor, SEARS HOME
& BUSINESS FRANCHISES, INC. (hereinafter referred to as the "Debtor" or "SEARS"), to

Assume or Reject a Master Lease Agreement, Equipment Lease Schedule No.1 and Schedule A between the Debtor and U.S. BANK's assignor, VAR Resources, Inc., as well as a Master Lease, Equipment Lease Schedule No. 1 and Schedule A between the Debtor and U.S. BANK's assignor, VAR Technology Finance, Inc. The salient facts are as follows:

2. On or about December 7, 2015, SEARS executed a Master Lease Agreement, Equipment Lease Schedule No.1 and Schedule A, in favor of U.S. BANK's assignor, VAR Resources, Inc., for the lease of certain equipment, more fully described in Schedule A thereto. True copies of the Master Lease Agreement, Equipment Lease Schedule No.1 and Schedule A are attached hereto and made a part hereof, collectively, as Exhibit "A." A true copy of the accompanying UCC-1 Financing Statement is attached hereto and made a part hereof as Exhibit "B."

3. The Master Lease Agreement, Equipment Lease Schedule No.1 and Schedule A were assigned from VAR Resources, Inc. to U.S. BANK pursuant to an Assignment and Bill of Sale. A true copy of the Assignment and Bill of Sale is attached hereto and made a part hereof as Exhibit "C."

4. Pursuant to the terms of the aforesaid Master Lease Agreement, Equipment Lease Schedule No.1 and Schedule A, the Debtor agreed to lease the equipment more fully described in Exhibit "A," and agreed to make monthly payments in the amount of \$2,403.24, plus applicable taxes, for a term of thirty-six (36) months.

5. The Debtor defaulted in making monthly payments on or about November 7, 2018. At the present time, the Debtor's account is currently two (2) months past due, plus renewal payment. The Debtor should be compelled to assume or reject the Master Lease Agreement

because the Debtor has not provided U.S. BANK with adequate protection in the equipment. No payments have been received during the pendency of the bankruptcy case.

6. Additionally, On or about February 9, 2017, SEARS executed a Master Lease, Equipment Lease Schedule No.1 and Schedule A thereto, in favor of U.S. BANK's assignor, VAR Technology Finance, Inc., for the acquisition of certain equipment, more fully described in Schedule A. True copies of the Master Lease Agreement, Equipment Lease Schedule No.1 and Schedule A are attached hereto and made a part hereof, collectively, as Exhibit "D." A true copy of the accompanying UCC-1 Financing Statement is attached hereto and made a part hereof as Exhibit "E."

7. The Master Lease, Equipment Lease Schedule No.1 and Schedule A were assigned from VAR Technology Finance, Inc. to U.S. BANK pursuant to an Assignment and Bill of Sale. A true copy of the Assignment and Bill of Sale is attached hereto and made a part hereof as Exhibit "F."

8. Pursuant to the terms of the aforesaid Master Lease, Equipment Lease Schedule No.1 and Schedule A, the Debtor agreed to lease the equipment more fully described in Exhibit "D," and agreed to make monthly payments in the amount of \$1,354.41, plus applicable taxes, for a term of twenty-four (24) months.

9. The Debtor defaulted in making monthly payments on or about November 1, 2018. At the present time, the Debtor is currently three (3) months past due on this account. The Debtor should be compelled to assume or reject the Master Lease because the Debtor has not provided U.S. BANK with adequate protection in the equipment. No payments have been received during the pendency of the bankruptcy action.

10. Our company, and our assignor, have at all relevant times, met our obligations under the Master Lease Agreement and Master Lease with the Debtor. Our assignor provided the financing which the Debtor required to acquire the subject equipment.

11. Accordingly, we now respectfully request the Court to enter an Order:
(a) compelling the Debtor to assume or reject the Master Lease Agreement and Master Lease; (b) allowing an administrative expense claim to U.S. BANK as and for post-petition rental payments due under the terms of the unexpired Master Lease Agreement and Master Lease; and (c) if the Master Lease Agreement and Master Lease are rejected, we seek an Order of this Court permitting us to recover the subject equipment from the Debtor.

U.S. BANK NATIONAL ASSOCIATION
d/b/a U.S. BANK EQUIPMENT FINANCE

By: 

DEBBIE L. STIBBE

Assistant Vice President - Loss Mitigation Manager

Sworn and subscribed to
before me this 24 day
of February, 2019



